Play 4

Soliciting and Selecting
Host Cities and Venues

Sports Event Management and Marketing Playbook

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Soliciting and Selecting Host Cities and Venues: Overview

- There are a multitude of factors that must be evaluated when identifying a host city/venue for an event
- All parties must develop an understanding of each other's wants and needs
- A request for proposal (RFP) is an essential piece in the process of finding the right host for an event
- High profit margins and low expenses are typically the most prominent issues for event organizers and host cities

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Key Terms

- Convention and visitor's bureau (CVB): Organization focused on bringing events to it's area lodging
- Room nights: stat defined as one room per one night
- Economic impact: measure of new revenues or losses to the local economy due to an event, convention, etc.
- Request for proposal (RFP): bid document sent by events to possible facilities/cities
- Local organizing committee (LOC): group of people from a city that will primarily interact with event organizers
- Sponsor exclusivity: possible conflicts of sponsors of events and host facilities

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What Host Cities Really Want From Sports Events

- Economic impact
- Room nights
- Political motives
  - More common in recent past
- Exposure
  - More common in small/mid sizes cities
- Promotion of city

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Common Reasons Why Communities Host Sports Events

- Economic impact? Room nights? Political motives? Exposure? Promotion?
  - Generate hotel room occupancy
  - Stimulate the local economy (i.e., generate economic impact)
  - Generate tax revenues
  - Showcase new facilities to the community, media, potential corporate sponsors, and organizers of other potential events
  - Attract larger events to their facilities or community
  - Attract professional teams and athletes to their premier facilities
  - Present a positive quality-of-life program to the community
  - Present a high-profile event in a critical election year
  - Demonstrate the need for improved sports/assembly facilities

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Economic Impact

- A measure of the dollars that will flow into, or out of, a region solely and specifically because of the presence of a particular event
- Can vary greatly depending on the size, location, exposure, and complexity of the event
- Usually, the most important reason behind a city's desire to host an event

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Economic Impact

- Economic impacts are of a wide variety
  - Super Bowls average $300-$400 million (Tampa $375 million in 2009)
  - Olympics in UK 2012: $8.2 billion
  - World Cup in Brazil 2014: $10.2 billion
  - MLB All Star Games between $60-$70 million
  - NBA All-Star Games around $67 million
  - NHL All-Star Games around $22 million
- Smaller markets benefit from smaller impacts
  - 2010 13U Girls National Basketball Tournament: $2 million impact on Cincinnati area
  - 2012 Ohio Senior Olympic State Games: $500,000 impact on NE Ohio
  - Greenville Drive: estimated $19.6 million
  - Even smaller amount for local events in SC that are significant

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Economic Impact Analysis

A. Direct Spending by Organizer in Market	
B. Participant/Audience Hotel Room-Nights	
C. Participant/Audience Hotel Room Rate	
D. Participant/Audience Hotel Spending (B x C)	
E. # Participants/Audience	
F. # Days in Market	
G. Per Diem Spending Estimate per Participant/Audience	
H. Participant/Audience Per Diem Spending (E x F x G)	
I. Direct Spending by Sponsors/Partners in Market	
J. Other Estimated Spending	
K. SUBTOTAL (A+D+H+I+J)	
L. Economic Multiplier ($ spend is estimated to be spent again in the community generating even more economic impact)	2.25 – 2.5
M. TOTAL ESTIMATED ECONOMIC IMPACT (K x L)	

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Room Nights & Other Factors

- Focus on Room Nights
  - Big events are great (bring national exposure)
  - Smaller grassroots events are the ‘bread and butter’
    - No national exposure, but fill up hotel occupancy
- Focus on area interests
  - Bring types of events/sports that appeal to your local area
  - Potential to ‘grow the game’, higher economic impact, more spectator and sponsor interest
- Focus on expected area perceptions
  - Consider how the local audience will receive events
  - Especially in politically charge environments (ex. Washington D.C.)

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What Sports Events Really Want From Host Cities

- Support from local government, trade organizations, businesses, and citizens
  - Reduces strain on event organizers
- Budget efficiency and reduced expenses
- Available and capable venues
- Demographical fit
  - Must match your event

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Common Reasons Why Communities Are Chosen to Host Sports Events

- Availability of best facilities to stage the event
- Favorable rates on facility rentals, labor, and services in the local market
- Active support of the organizer's objectives by local government, businesses, and media
- Services/support beyond the minimum requirements of the RFP
- Demonstrable community experience in hosting successful sports events of similar size, scope, and structure
- Financial incentives or cost savings offered by local government, the facility, and local businesses beyond requirements of RFP
- No, or affordable, taxes on event revenues
- A natural local affinity, or fan base, for the sport

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Request for Proposal

- A bid document outlining the prospective host or vendor's capabilities and advantages for hosting an event
- Also, a sales and marketing document
- Introduction
  - Describes the event in general terms, lays out advantages to hosting the event
- Event description (including history and impacts)
  - More detailed description; estimate on participants, fans, etc.
  - Facts/stats from past events as well as naming areas that have hosted prior
  - Concludes with how the prospective host should respond, deadline for submissions, contact info with organizer
- Event schedule
  - As many details as organizer has/wants to share
  - Arrival/departure of athletes, fan, etc.
  - Start and end of event and supporting activities

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Request for Proposal

- Role of the event organizer
  - Outline all responsibilities (operational and financial) for event organizer
  - Include background information/qualifications of organizers
- Role of the host city/venue
  - Details needed for city to make a proposal to host
  - Questionnaires are helpful with supporting information to determine feasibility
- Definition of the ideal event site (including minimum requirements of the event)
- Benefits to the host city/venue
  - Outline all benefits to host city
- Sponsors and marketing rights
- Response format

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Key Elements of the RFP

- A powerful introduction should convey the excitement of the event and highlight the host city
- Include details such as submission deadlines, contact information, and where to direct questions and requests
- Make sure to clarify the roles and responsibilities of the organizer and host
- All sponsors and their contributions should be listed
- Include background information for the key individuals in the CVB and LOC

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Facilities vs. Cities

- Facilities (like cities) are mostly interested in generating revenue
  - How is dependent on ownership and management
  - Privately owned facilities are focused on revenue and "filling the calendar"
    - College facilities may also focus on events that attract potential students to inform them about the college as a whole
    - These facilities will also focus on events that align with it values and mission
  - Publicly owned facilities may focus on exposure as much as revenues
    - Focus more on generating a minimum profit and "heads in the beds"

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Facilities & Sponsor Exclusivity

- Host facilities may have different sponsor relationships than the event being hosted
- It is important to communicate these differences in order to avoid a conflict and potential legal action
- Sponsor exclusivity can be both profitable and preventative
- Erskine Football @ GHS as example

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Summary

- Partnership between host cities, facilities, and event organizers is essential to success for all parties involved
- Economic impact is the leading motivation for a city's desire to host an event
- RFPs are used to evaluate whether a host city meets an event organizer's needs for a given event

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Assignment 4/Discussion

- Develop an RFP for a 16-team ice hockey tournament to be held at two venues in a single city.
  - Consider each section of the RFP

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Assignment 4/Discussion

- Develop an RFP for a 16-team ice hockey tournament to be held at two venues in a single city.
  - Include the following information:
    - 4 cities that you will send the RFP to and why?
    - Introduction
    - Event Description (include level of teams)
    - Possible Event Schedule
    - Definition of ideal event site (include minimum requirements also)
    - Benefits to Host City (include estimated economic impact)
      - Use estimates of room nights and average room rate to calculate total hotel spending (B+C=D)
      - Use estimated total # of attendees, days in the market, and per diem spending to calculate total spending (ExFxG=H)
      - Use 2.25 economic multiplier to come up with total estimated economic impact (D+H x 2.25 = ?)
  - Make sure to include information mentioned in power point for each section

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